



TEXTBOOK TESTBANKS

Test Bank for Contemporary Business Canadian Edition 5th Boone; David L

TEST BANK SAMPLE PREVIEW

PUBLISHER

Wiley

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2025

RESOURCE TYPE

Test Bank

ISBN

9781394328499

*Test Bank for Contemporary Business
Canadian Edition 5th Edition by Boone;
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Canzer, Harms*

ISBN: 9781394328499

Contemporary Business, 5Ce (Boone)
Chapter 1 The Changing Face of Business

TRUE-FALSE STATEMENTS

1) Large corporations are defined as businesses, whereas small companies are more of an investment.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.1 Define business.

Section Reference: What Is Business?

AACSB: Reflective Thinking

2) Business success does improve society's standard of living.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.1 Define business.

Section Reference: What Is Business?

AACSB: Ethics

3) In order to remain viable, not-for-profit organizations need to focus on profits even more than the public service they provide.

Answer: FALSE

Diff: 2

Bloomcode: Application

Learning Objective: 1.1 Define business.

Section Reference: What Is Business?

AACSB: Ethics

4) Not-for-profit organizations are commonly exempt from federal, provincial, and local taxes.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.1 Define business.

Section Reference: What Is Business?

AACSB: Analytic

5) Just as with a for-profit business, the first priority for a not-for-profit organization is making a profit.

Answer: FALSE

Diff: 2

Bloomcode: Application

Learning Objective: 1.1 Define business.

Section Reference: What Is Business?

AACSB: Reflective Thinking

6) An accountant's view of profit is the difference between revenue and the cost incurred in generating the revenue. This view is shared by all business owners and the general public.

Answer: FALSE

Diff: 3

Bloomcode: Knowledge

Learning Objective: 1.1 Define business.

Section Reference: What Is Business?

AACSB: Analytic

7) Employees and founders of not-for-profit organizations do NOT usually earn any income from their operations.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.1 Define business.

Section Reference: What Is Business?

AACSB: Analytic

8) All factors of production are found in equal amounts in all businesses.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.2 Identify and describe the economic factors of production.

Section Reference: Economic Factors of Production

AACSB: Analytic

9) Capital includes money, machines, tools, buildings, and human resources.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.2 Identify and describe the economic factors of production.

Section Reference: Economic Factors of Production

AACSB: Analytic

10) Natural resources are essential for certain companies but are NOT required for all economic systems.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.2 Identify and describe the economic factors of production.

Section Reference: Economic Factors of Production

AACSB: Analytic

11) Technology is considered to be capital.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.2 Identify and describe the economic factors of production.

Section Reference: Economic Factors of Production

AACSB: Technology

12) High-end technology, such as the Global Positioning Satellite System offered in some new cars, is considered a capital resource.

Answer: TRUE

Diff: 2

Bloomcode: Application

Learning Objective: 1.2 Identify and describe the economic factors of production.

Section Reference: Economic Factors of Production

AACSB: Technology

13) When farmers rent land in order to increase crop production, they are acquiring capital.

Answer: FALSE

Diff: 1

Bloomcode: Application

Learning Objective: 1.2 Identify and describe the economic factors of production.

Section Reference: Economic Factors of Production

AACSB: Reflective Thinking

14) Entrepreneurship is synonymous with "risk-taking."

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.2 Identify and describe the economic factors of production.

Section Reference: Economic Factors of Production

AACSB: Technology

15) An entrepreneur and a manager are the same.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.2 Identify and describe the economic factors of production.

Section Reference: Economic Factors of Production

AACSB: Analytic

16) The owner of a small business is part of the human resources of their organization.

Answer: TRUE

Diff: 3

Bloomcode: Knowledge

Learning Objective: 1.2 Identify and describe the economic factors of production.

Section Reference: Economic Factors of Production

AACSB: Analytic

17) The private enterprise system encourages government intervention.

Answer: FALSE

Diff: 1

Bloomcode: Application

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Reflective Thinking

18) Canada functions under the private enterprise system.

Answer: TRUE

Diff: 1

Bloomcode: Application

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Reflective Thinking

19) Adam Smith's "invisible hand" refers to the battle among businesses for consumer acceptance.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Analytic

20) Profits are guaranteed by the private enterprise system for every entrepreneur with good management skills.

Answer: FALSE

Diff: 1

Bloomcode: Application

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Reflective Thinking

21) Private property is considered the most basic freedom in the private enterprise system.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Analytic

22) When customers enter a supermarket and select their favourite brand of laundry detergent, they are exercising their right to freedom of choice.

Answer: TRUE

Diff: 2

Bloomcode: Application

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Reflective Thinking

23) When the government sets ground rules for competitive activity, the intent is to increase freedom of choice for consumers.

Answer: TRUE

Diff: 2

Bloomcode: Application

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Analytic

24) In the private enterprise system, government has no role to play in ensuring fair competition.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Analytic

25) Unfair or "cutthroat" competition, designed to eliminate competitors, is prohibited by the Canadian government.

Answer: TRUE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Analytic

26) Finding unique ways to use the factors of production is a common characteristic of most entrepreneurs.

Answer: TRUE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Reflective Thinking

27) The Canadian Radio-television and Telecommunications Commission (CRTC) has made a decision that has increased the cost charged to small internet service providers that buy access from larger internet service providers such as Bell. This decision is a violation of the private enterprise system in Canada.

Answer: FALSE

Diff: 3

Bloomcode: Application

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Analytic

28) Successful entrepreneurs usually create large corporations.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.3 Describe the private enterprise system.

Section Reference: The Private Enterprise System

AACSB: Analytic

29) During the colonial period, the focus was on agriculture and other rural activities.

Answer: TRUE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

30) The Industrial Revolution began in Germany and quickly spread to the rest of Europe.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

31) The Industrial Revolution began in the United States with the development of the automobile.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

32) During the Industrial Revolution in Canada, agriculture became mechanized.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

33) A key element of the production era was the use of consumer research.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

34) The production era preceded the age of industrial entrepreneurs.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

35) In consumer orientation, a company creates a product first and then determines if the consumer will likely purchase the product.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Reflective Thinking

36) The Nike swoosh is NOT considered a brand; only the company name can be a brand.

Answer: FALSE

Diff: 2

Bloomcode: Application

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

37) The current philosophy among managers today is best described as transaction management.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

38) Information technology has been the key driver behind the social era.

Answer: TRUE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Technology

39) Technology has revolutionized business communications.

Answer: TRUE

Diff: 1

Bloomcode: Application

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Technology

40) Relationship management refers to ongoing, mutually beneficial ties between a company and its vendors.

Answer: FALSE

Diff: 2

Bloomcode: Application

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Technology

41) Branding is the promotion of products in the hopes that the business earns acceptable profits.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

42) Relationship management concentrates on short-term interactions with customers.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

43) Before the relationship era, businesses focused on transaction management.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

44) The use of blogs as a link between companies and their customers is on the decline.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Technology

45) Attracting new customers is less expensive than developing long-term relationships with customers.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

46) A relationship that exists between companies is NOT part of the age of connections in the relationship era.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

47) The social era is based on business to customers connections through the use of technology.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Analytic

48) The use of assembly lines became popular during the colonial era.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Technology

49) Relationship management is important in the relationship era and the social era.

Answer: TRUE

Diff: 3

Bloomcode: Knowledge

Learning Objective: 1.4 Identify the seven eras in the history of business.

Section Reference: Seven Eras in the History of Business

AACSB: Ethics

50) The needs of older workers are similar to those of younger workers.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.5 Explain current trends in business.

Section Reference: Current Trends Related to Business

AACSB: Reflective Thinking

51) During the next few years, the average age of the workforce is expected to increase.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.5 Explain current trends in business.

Section Reference: Current Trends Related to Business

AACSB: Analytic

52) Although the number of university-educated workers has increased in the last 20 years, the demand for workers is still greater than the supply.

Answer: TRUE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.5 Explain current trends in business.

Section Reference: Current Trends Related to Business

AACSB: Analytic

53) Research indicates that work teams consisting of a diverse group of individuals often are more effective than less diverse work teams.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.5 Explain current trends in business.

Section Reference: Current Trends Related to Business

AACSB: Diversity

54) Outsourcing is the relocation of business activities to lower-cost locations overseas.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.5 Explain current trends in business.

Section Reference: Current Trends Related to Business

AACSB: Analytic

55) Today, workers are much less likely to remain with the same employer throughout their entire careers.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.5 Explain current trends in business.

Section Reference: Current Trends Related to Business

AACSB: Analytic

56) The new employer-employee relationship requires firms to establish rigid rules to govern employee activities.

Answer: FALSE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.5 Explain current trends in business.

Section Reference: Current Trends Related to Business

AACSB: Analytic

57) The retirement of baby boomers CANNOT create a shortage in the Canadian workforce since students are graduating each year.

Answer: FALSE

Diff: 2

Bloomcode: Application

Learning Objective: 1.5 Explain current trends in business.

Section Reference: Current Trends Related to Business

AACSB: Analytic

58) Skilled and knowledgeable employees are essential resources that could help an organization to create change in today's dynamic business environment.

Answer: TRUE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.5 Explain current trends in business.

Section Reference: Current Trends Related to Business

AACSB: Analytic

59) The managerial quality of vision is the ability to see all the problems that might occur.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.

Section Reference: Skills and Attributes Needed by Today's Managers

AACSB: Analytic

60) Critical thinking skills and creativity are essential qualities for today's managers.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.

Section Reference: Skills and Attributes Needed by Today's Managers

AACSB: Analytic

61) Critical thinking is the ability to analyze and assess information to pinpoint problems and opportunities.

Answer: TRUE

Diff: 1

Bloomcode: Knowledge

Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.

Section Reference: Skills and Attributes Needed by Today's Managers

AACSB: Analytic

62) Creativity is the capacity to develop well-tested solutions to common organizational problems.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.

Section Reference: Skills and Attributes Needed by Today's Managers

AACSB: Analytic

63) A manager's only obligation is to create an environment for creativity and critical thinking. The implementation of those ideas is carried out by other departments.

Answer: FALSE

Diff: 2

Bloomcode: Knowledge

Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.

Section Reference: Skills and Attributes Needed by Today's Managers

AACSB: Reflective Thinking